Export of Diamond

2851. SHRI B.L. SHANKAR: Will the Minister of COMMERCE be pleased to state:

(a) whether the exports of diamond has fallen further during the first quarter of 1997-98;

(b) if so, the details of the loss of foreign exchange suffered as a result thereof;

(c) the reasons for the fall in the diamond export; and

(d) the details of the measures proposed by the Government to boost the diamond export during 1997-98?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) No, Sir. As per available data, the deceleration in exports of diamond in April-June, 1997 quarter has been lower than the previous quarter.

(b) The details of the foreign exchange earned during April-June, 1997 is as follows:

(Value in US $ million)

	1997	1996
Export of diamonds	870.51	931.16

Source: GJEPC

(c) The fall in exports of diamond was primarily due to:

(i) Recession in demand in the major markets of cut and polished diamond and studded jewellery including Japan, USA and Europe;

(ii) Excessive inventory built-up resulting in low profitability; and

(iii) Comparatively high rate of interest on post-shipment credit eroding the competitiveness of Indian goods.

(d) The Government has recently taken number of measures to boost diamond export from the country which include:

(i) Reduction in interest rates from 26th June, 1997 in post-shipment rupee export credit;

(ii) 100% replenishment on export of rough diamonds;

(iii) third party exports have been allowed in order to encourage the small manufacturers and exporters; and

(iv) the bulk licence holders are permitted to import rough diamonds from any source.

[Translation]

Higher Denomination Currency Notes

2852. SHRI KACHARU BHAU RAUT:

SHRI SURESH KALMADI:

SHRI N.K. PREMCHANDRAN:

SHRI PANKAJ CHOWDHARY:

SHRIMATI KETAKI DEVI SINGH:

SHRI SURESH PRABHU:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to issue currency notes of higher denominations;

(b) if so, the details of such notes; and

(c) the time by which the same are likely to be issued?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Government has not taken a decision on introduction of higher denomination of notes.

Trade Agreements with China

2853. SHRI NAND KUMAR SAI: Will the Minister of COMMERCE be pleased to state:

(a) whether any agreement has been reached between China and India for the promotion of trade between the two countries;

(b) if so, the details thereof;

(c) the value of trade being carried out between China and India at present; and

(d) the extent to which the bilateral trade is likely to be increased?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) A Trade Agreement was signed between India and the People's Republic of China on 15th August 1984. Its salient features are mutual Most-Favoured-Nation Treatment, promotion and diversification of bilateral trade, trade transactions to be in freely convertible currency, agreement to facilitate trade in identified items and regular bilateral consultations.

(c) and (d) The total exports to and imports form the People's Republic of China since 1993-94, as per statistics published by DGCI&S are as given below: